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NEWSPAPER

Bella Voce serves up melodies with meals
Alan Liddle/Page 18

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Nation's
Restaurant News
The Weekly Newspaper of the Food-Service Industry

Vol. 23, No. 6 | Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $29.50 a year | February 6, 1989

School feeders push breakfast to lure students

By Bill Carlino

HILTON HEAD, S.C. — Food-service directors throughout the nation's elementary and high schools are unveiling creative methods to lure more students to breakfast.

In Boston a "Bring a friend to breakfast" program is luring students to the cafeteria at 7 a.m.

In Fairfax County, Va., "breakfast bars" have hiked program attendance to 92 percent.

And in Portland, Ore., schools are offering non-traditional breakfast items, such as pizza, casseroles, soups, sandwiches, and rice.

Breakfast marketing techniques emerged as the key issue at a seminar of the American School Food Service Association, as 300 food-service directors and suppliers convened here at the Hyatt Regency.

"You can't teach a hungry child," said Shirley Watkins, the ASFSA national president and the food-service director for Memphis, Tenn., schools.

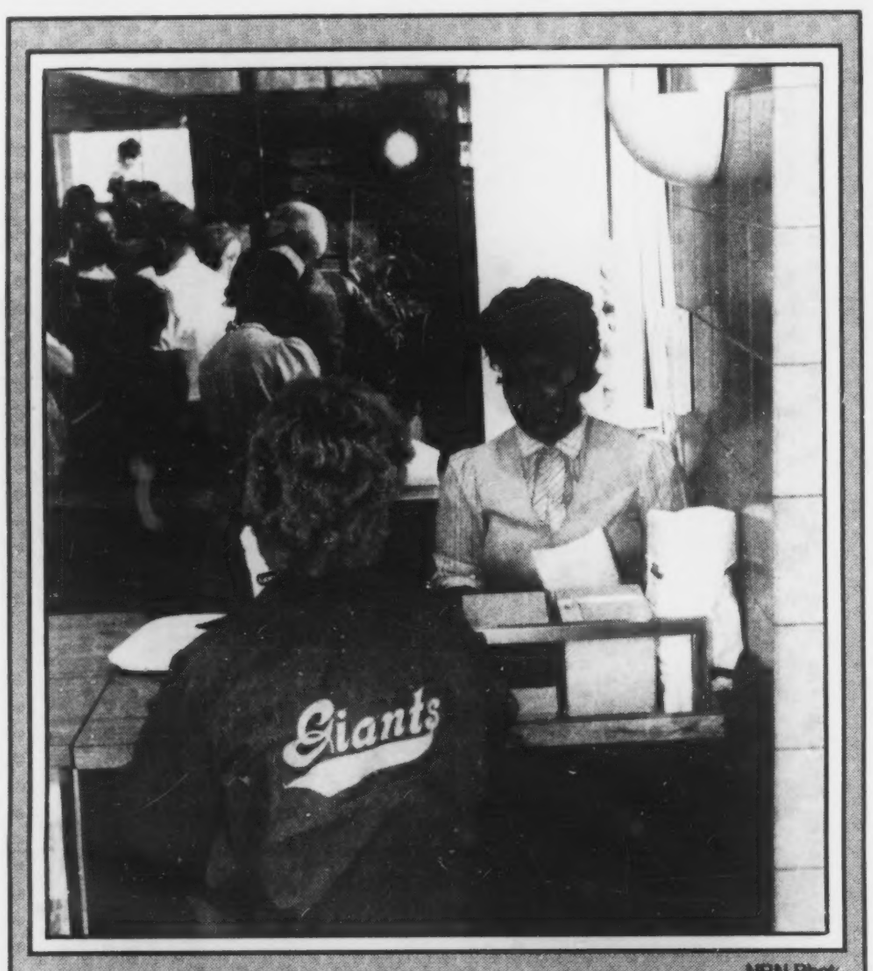
"The correllation between a healthy breakfast and increased learning capacity is not a new discovery," Watkins continued. "But you'd be amazed at how many administrations remain inflexible regarding a breakfast program."

Although the National School Lunch Program was instituted more than 40 years ago, a school breakfast program did not exist until 1966.

According to the statistics supplied by the ASFSA and the U.S. Department of Agriculture, about 25 million school lunches are served daily but only 4 million breakfasts.

Growth for school breakfast partici-

*(See **SCHOOLS**, page 76)*



NRN Photo

A Luby's clerk takes orders at take-out counter.

Luby's takes lead in take-out trend

By Tracey Taylor Woodard

HOUSTON — Luby's Cafeteria executives wrote themselves a prescription for success when they decided to add a take-out counter for a new unit located at a busy medical center here.

"The increases have been substantial," said Bill Robson, Luby's senior vice president of operations and de-

*(See **LUBY'S**, page 4)*

Cafeterias don new wardrobe
Focus follows page 30

ESOP fever hits industry

Employee ownership hailed for boosting morale, profits

By Rajan Chaudhry

ESOP fever, which has already swept the banking, steel, and several other industries, shows signs of surfacing in the restaurant industry.

From large chains to single-restaurant operations, companies are embracing Employee Stock Ownership Plans — programs that encourage employees to buy stock and thus participate in management of their companies — and hailing their impact on employee attitudes and their own bottom lines.

Restaurant companies that have adopted ESOPs include regional cafeteria operator Wyatt Cafeterias Inc., Long John Silver's franchisee Treasure Isle Inc., and independent Snug Harbor Seafood Restaurant in Fort Myers Beach, Fla.

And many restaurateurs — like Constantine Georgakopoulos, owner of two Perry's Cafes in San Diego, Calif. — have ESOPs on the drawing board.

By attracting prospective employees and helping retain current hires, advocates say, employee ownership eases the effects of the labor shortage. ESOPs can also provide generous financial incentives for owners who sell to them and to companies that set them up. And the plans are useful to owners of closely held com-

*(See **ESOP**, page 76)*

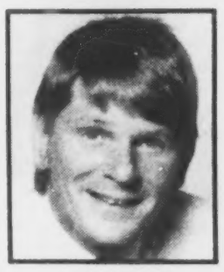
ESOP FABLES
Tax law smiles on programs
But they're not for everyone
Page 76

Gibbons gets hot seat at Burger King

By Peter Romeo

MIAMI — The hottest seat in food service at the moment may well be the one that has just been occupied by Barry Gibbons, Burger King's third chief executive since October.

A 42-year-old Englishman with little knowledge of fast feeding or the U.S. market, Gibbons faces the daunting task of reversing the chain's four-year sales slide within a tight time frame set by the system's new owner, Grand Metropolitan. Before acquiring Burger King in a takeover of Pillsbury



Gibbons

Martin

Co., Grand Met boasted to the media that it could achieve "very significant improvements" at the fast feeder within nine months.

That assurance came from Ian Martin, who, as chairman of both Burger King and Pillsbury, holds the thermostat to Gibbons' new chair.

"I believe Barry's exceptional record of achievement in marketing, management, and financial results makes him singularly qualified for the objective we have set for Burger King," Martin said in a prepared statement. "As chairman of Burger King, I look forward to working with him to achieve this."

Gibbons brings to the partnership the restaurant knowl-

*(See **BURGER KING**, page 4)*

FOOD WATCH

Szechwan-style soup

LOS ANGELES — Bicontinental chef-restaurateur P.C. Lee has scored a hit with his Mexican and Chinese customers here by serving a pungent Szechwan-style beef noodle soup recipe imported from the Beijing, China, restaurant he also manages.

The top-selling item at his Mandarin Chef restaurant in Canoga Park is a big bowl of custom-made noodles, beef shank chunks, and broth flavored with hot bean paste, ginger, dried orange peel, and Szechwan peppercorns. The $2.95 dish is ordered by about half of the 200 daily patrons at Lee's 70-seat cafe, which opened last spring.

At the Beijing-California Beef Noodle King, Lee's restaurant in China, the same dish costs about 70 cents and sells at the rate of more than 1,500 bowls a day. "The main thing is the beef," said Lee, who is a native of Szechwan province and has served the soup at other restaurants he has run in Taiwan and California. The 60 pounds of meat in a standard batch "makes the flavor very tasty and very strong."

— Richard Martin

BERNSTEIN: TIME FOR DEPARTMENT STORES TO WAKE UP — F3

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NEWS DIGEST

Pizza Hut franchisee seeks takeover of Skipper's chain

PITTSBURG, Kan. — National Pizza Co. here, the largest franchisee of Pizza Hut, is seeking to acquire a new restaurant concept through a $24.5 million tender offer for Skipper's, the quick-service seafood chain based in Bellevue, Wash.

National said the 200-unit Skippers chain would remain a separate business based in Bellevue, adding that current management would be retained.

Although National has grown quickly in recent years through the acquisition of several small companies, all have been either other Pizza Hut franchises or competing pizzerias that were converted to the segment-leading brand. National operates about 280 Pizza Hut outlets.

Jonathan Waxman closes Jonathan Waxman in NY

NEW YORK — Jonathan Waxman, the famed West Coast chef, has closed his California restaurant here several months after he attempted to reverse declining traffic by outfitting the place with a lower-cost menu and giving it his name.

At the time the restaurant was renamed Jonathan Waxman, many of the city's pricey dining places were also adding lower-priced menu items or opening adjacent, less expensive cafes in an effort to stem an erosion of their clientele.

Originally known as Jams and briefly as JW's, the Jonathan Waxman restaurant was located in the heart of the Upper East Side.

Arnaud's names Guy Petit its new executive chef

NEW ORLEANS — Arnaud's, the landmark restaurant here, has named Guy Petit, a veteran of such fine-dining standouts as Dallas' Mansion on Turtle Creek and Paris' Maxim's, as its new executive chef.

Petit is a native of France, and his Parisian background also includes positions with Maison Buisson and The Plaza Athenee. In the United States he opened The 95th Restaurant in Chicago and the Plaza Club in Denver. He was also on the preopening team at The Mansion on Turtle Creek and The Remington in Houston.

Petit replaces Andre Ledoux, who has returned to his former position at New Orleans' Fairmont Hotel.

Subway acquires Suburpia to boost Midwest presence

MILFORD, Conn. — Subway, the 2,700-unit sandwich chain based here, has acquired Suburpia, a 24-store fast feeder headquartered in Milwaukee.

Subway will convert 18 of the Suburpia outlets to Subway stores and will close the rest, said Subway spokeswoman Jody Barstein. The company is seeking franchisees to operate the stores, she said.

Suburpia, which opened its first restaurants in the early 1970s, had been experiencing financial problems.

McDonald's posts '88 profits of $645.9 million, up 18%

OAK BROOK, Ill. — Despite three quarters of declining real sales, McDonald's Corp. parlayed the effects of stronger foreign currencies, a lower tax rate, and sales from new stores into an 18-percent year-to-year gain in net income on a 12-percent rise in systemwide sales.

For the year ended Dec. 31, McDonald's net income rose to $645.9 million from $549 million last year. In the prior year an accounting change raised final net to $596.5 million.

Systemwide sales grew to $16.1 billion in 1988, from $14.3 billion last year. Average annual sales at company stores rose 6 percent, to $1.6 million, and unit profit margins narrowed slightly to 17.7 percent of sales, from 17.8 percent.

McDonald's said it plans to open 600 to 650 stores this year.

Coniston secures $300M for TW takeover attempt

NEW YORK — Coniston Partners, the arbitrager seeking to acquire food-service giant TW Services, disclosed through a subsidiary that it has secured access to $300 million to be used in the hostile takeover attempt.

Coniston's SWT Acquisition unit said the brokerage house of Donaldson, Lufkin & Jenrette had entered into a commitment to pay $300 million for preferred stock issued by SWT. The proceeds would be pooled with other funds to purchase TW shares for $29 each, SWT said.

TW is the parent of Denny's and Canteen.

FDA spares food service from irradiation ruling

WASHINGTON — The Food and Drug Administration, sparing the food-service industry from burdensome labeling requirements, has excluded restaurant meals from new regulations mandating that irradiated foods bear that designation.

The FDA has issued rulings requiring that foods preserved through irradiation "be labeled to show this fact both at the wholesale and at the retail level."

However, the agency said it exempted "multiple-ingredient food," such as restaurant meals, because "the effects of radiation on individual ingredients would likely have no significant effect on the final product."

Most dried herbs and spices are exposed to radiation to destroy harmful organisms.

Wendy's tests and touts two specialty hamburgers

DUBLIN, Ohio — Wendy's is touting two new signature hamburgers in what the chain describes as a combination product test and short-term promotion.

In New York and other regions, the fast feeder is advertising a Philly Swiss Burger, a quarter-pound hamburger topped with Swiss cheese, onions, mushrooms, and peppers. Elsewhere, the spotlight is on the Mushroom Swiss Burger, a quarter-pound patty garnished with Swiss cheese and mushrooms.

"'We're looking at these as short-term promotions that could stay on the menu if they sell well," a spokesman said.

Magnan replaces Hoermann in abrupt change at Westin

SEATTLE — Lawrence Magnan has replaced Helmut Hoermann as president of Westin Hotels following the latter's abrupt resignation a few months after he had assumed the post.

Hoermann, a veteran of the rival Hilton International chain, said through Westin that he relinquished the job for personal reasons.

Hoermann had been brought in over Magnan, then executive vice president, to assume the presidency of the lodging chain.

Mister Donut's parent names Luiso as chairman

MINNEAPOLIS — International Multifoods, parent of the 750-unit Mister Donut chain, has tapped Anthony Luiso, a veteran of the packaged-foods industry, to succeed Andre Gillet as chairman in July.

Luiso, 45, will retain his current title of president. He joined Multifoods in 1987.

Gillet is retiring on July 1.

Torres leaves Ramada following spin-off plan

PHOENIX, Ariz. — José Torres, senior vice president of Ramada's domestic lodging operations and chairman of the innkeepeer's franchise association, has resigned both posts to form his own hotel management company.

The resignation came on the heels of Ramada's decision to sell its hotel and restaurant chains as a way of averting a takeover by the Pritzker family.

FOCUS | OPINION

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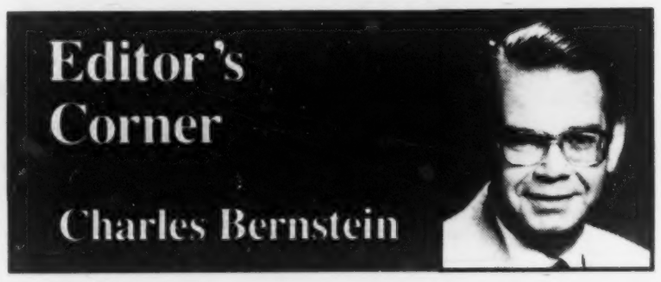
Department stores: Time to wake up

Where is the last place you would expect to find a top-notch restaurant today? Probably a department store.

For whatever reason, department stores have become also-rans in the food-service derby. Stodgy tearooms remain a staple from another era.



There is absolutely no valid reason why department stores can't raise their restaurants to the level of food service in many office buildings where fine dining — or at least reasonable fare — abounds.

Instead, a food-service operation in a department store has all too often been reduced to the lowest common denominator, as strictly a refueling stop between shopping forays through the rest of the store.

Admittedly, the profit margins of food service do not measure up to those of most other departments. Dollars per square foot simply are not as productive, and a department store restaurant, cafe, or bistro is not as lucrative as any number of general merchandise categories.

But there are important values in business life besides pure dollars per square foot, gross sales, and profit margins. A high-quality restaurant or cafe can uniquely enhance the image of a department store. And a well-run cafeteria or coffee shop does much to attract customers and keep them in the store.

Yet the prototype modern retailers, armed with MBAs and a straight-ahead bottom-line approach, have decreed otherwise. They see no use for food service in their precious department stores and feel it merely steals space that far more profitable departments could utilize.

These retailers insist on trimming the stores to tightly managed streamlined space, yielding higher productivity and leaving no room for food service.

Thus we see such travesties as Bonwit Teller's getting rid of food service, Bullock's removing it from many stores, and Robinson's phasing out almost all its restaurants. These places lose sparkle when the conglomerate mentality dictates no food service.

Stanley Marcus, the veteran retailing executive, consultant, and former chairman of Neiman-Marcus department stores, has dramatized the silliness of the "modern" approach with a stern warning against "sacrificing restaurants to panty shops."

He also observed that retailing should focus on "satisfying and serving people" and on "using imagination rather than boring customers to death."

The one department store section where imagination, variety, and service can thrive is food service, but this is being sacrificed as a part of a "modern" image of sameness and boredom.

While it is easy to put the blame on department store conglomerates and their enterprising, financially oriented executives, the fault may also lie within the food-service industry itself. Regrettably, few department store restaurants ever show imagination and flair. The standardization of such restaurants and lack of real service — qualities deplored for general merchandise departments — have repeatedly manifested themselves.

Evidence of the third-rate nature of most department store restaurants is quite clear; few food-service directors have a vice president's title or stature. Furthermore, at the annual National Retail Merchants Association's New York City convention, the in-store feeder seminar is almost impossible to find.

Food-service executives on the department store scene have allowed themselves to be subjugated as an afterthought in a store's thinking, rather than seeking favorable space by exerting an imaginative food-service approach.

Drugstores phased out old-time soda fountains because they no longer served a need in the context of such operations. But restaurants in department stores certainly fulfill a critical need.

Fortunately, there are plenty of exceptions to the rule of food-service boredom on the department store scene.

Alan Reyburn made Bloomingdale's a food-service power with multiple restaurants in the chain's stores. Le Train Bleu on New York's Upper East Side even became a destination restaurant — a status that department store restaurants should strive for in the same way that hotel restaurants have done.

Still, it would not shock us if Bloomingdale's new conglomerate management starts axing out restaurants in a "modernization" effort.

R. Wray Jones for years has set the highest standards in Neiman-Marcus' Zodiac Room restaurant (Dallas) and in numerous other Neiman-Marcus locations. Meanwhile, Nordstrom's new San Francisco department store sports a handsome English pub and a stylish Champagne bar. Minneapolis-based Dayton-Hudson is emphasizing a wide array of fresh take-out dishes. And Marshall Field's is sticking with its old-time Chicago Walnut Room restaurant even if it is not one of the more profitable departments.

Food service should not play second fiddle to any other division in a department store. But success requires the imagination and courage of an Alan Reyburn or a Bob Jones and the vision of those department store executives who see more than just bottom-line dollars in every possible space.

LETTERS

Reader: Don't forget to cover New England

Editor, NRN:

Because Nation's Restaurant News is *de rigueur* reading for food professionals, I find the continuous lack of coverage on our restaurant-rich New England states to be inexcusable.

For example: As you finally mentioned in a graph (no supporting editorial mention), the New England regional culinary Olympic team that competed as a team, for the first time, not only placed tops in U.S. honors but also placed first in world honors in the "regional" category. The fact is the New England team was the sensation of the competition!

It is unfortunate that the area that is a "mother lode" for national culinary stars and is also rich in professional culinary schools (such as Johnson and Wales, Boston University's Metropolitan College, Newbury Culinary College, New Hampshire Culinary College, and the Rhode Island School of Design) merits so little interest on the part of your publication.

The team members who performed so brilliantly were chefs Lars Erik Johanson, Neil Connolly, Walter Zuromski, Richard D. Petty, Jose M. Faria, Daniel J. Varano, George B. Higgins, Paul E. Sorgule, and Michael J. Beriau, all under the devoted and disciplined baton of team captain Roland Czekelius.

I am sure it is of interest to all your readers, not only those who live in the New England States, to know what a proud showing for America this extraordinary team performed.

— Lotte Mendelsohn
food editor
The Tab and WEEI Radio
Boston

Proof positive: the pen is mightier than the sword

Editor, NRN:

Up front, let me apologize for not writing you sooner. It's about an editorial you wrote way back, Sept. 5, on old established independents ("Golden oldies: Tradition wins the fray").

You may or may not know that my family — my father and youngest brother — are in the restaurant business. An old established independent facing the constant threat of new trendy joints in their market, south of Boston. It is complicated because the land our place sits on is owned by the town we operate in, the last developable piece of land the town owns.

You get the picture — hot-shot developers wanting to grab this last jewel.

Almost two years ago we began negotiating a long-term — 25-year — lease with the town to ensure Jake's and my folks' future. It all boiled down to one meeting before the town fathers. We agonized over what to present to make a family-owned operation appear as attractive as the riches promised the town by the hot shots.

On that night my father stood before his friends and neighbors armed only with your editorial. He read it aloud and sat silently, awaiting his fate.

We beat the hot shots. Thanks to a 34-year tradition of honest quality and service and you.

On those days when you sit back and wonder if anything of what we do matters, I hope this will give you comfort. It does, you do, and one small wave in the ocean of business thanks you.

— John O'Brien
Jake's Restaurant
Hull, Mass.

FOCUS | CAFETERIAS

NRN Photos

Morrison cafeterias sport buffet lines, and the company also has launched a take-out concept called Morrison's-To-Go for patrons who are too busy to dine inside.

CAFETERIAS SLIP INTO NEW WARDROBE

Operators fight to discredit critics of their segment by experimenting with such innovations as self-serve buffets, side-door take-out, and drive-thru features

By Jack Hayes

Like housewives slipping into evening clothes, cafeteria operators — earnest in their goal to re-excite loyal clientele, lure new patrons, and silence the critics — are awakening their familiar food-service establishments with a wardrobe of imaginative new dining features.

Tired of reports that label their segment as flat, mature, labor intensive, and costly to expand, cafeteria operators are installing self-serve buffets, side-door take-out, double-line indoor service, and even drive-thru windows to build traffic counts, cut expenses, and improve profits.

"The cafeteria is not a stalled concept," proclaims Vernon Schrader, marketing vice president at San Antonio, Texas-based Luby's Cafeterias, Inc., which, at 118 units, ranks among the five top chains operating cafeterias.

The other segment leaders include Mobile, Ala.-based Morrison Inc., with roughly 165 units; Furr's/Bishop's Cafeterias, Lubbock, Texas, with 154 units; Piccadilly Cafeterias Inc. in Baton Rouge, La., with 125 units; and Wyatt Cafeterias Inc. of Dallas, with 121 stores.

Luby's, although smallest in number of cafeterias, still boasts the highest unit sales average in the industry, at $2.3 million per location.

Piccadilly and Morrison both average between $1.9 million and $2 million per store; Furr's/Bishop's is close to $1.8 million; and Wyatt averages $1.5 million.

Part of Luby's success is an aggressive take-out installation that now operates in all freestanding stores. Take-out, in fact, has increased Luby's chainwide sales by 6 percent.

Morrison is likewise measuring sales gains with a take-out concept called Morrison's-To-Go, now installed in 31 of its cafeterias, says Richard McGeoch, senior vice president for corporate planning and investor relations.

The concept draws lunch and dinner patrons too busy to dine inside. Many of them are regular cafeteria customers, yet plenty of new faces are among the take-out clientele, McGeoch says.

Morrison is also turning heads with its hybrid cafeteria, Sadie's Buffet & Grill, an all-you-can-eat concept that has cut front-of-the-house labor cost to well under 30 percent while it lures a younger family clientele.

Meanwhile, Furr's/Bishop's has moved all-you-can-eat buffets into 90 stores with happy results, according to Don Fritz, president of the chain, which also just opened its first limited double drive-thru in Lubbock, Texas.

"All-you-can-eat builds customer counts; it's brought in a different group," says Fritz, who, like Morrison's McGeoch, doesn't mind the lower labor cost in a mixed buffet operation.

Cafeteria operators are also experimenting with new ways to speed the lunch and dinner flow. One effort, juggling the structure of service lines, is increasing covers and preventing impatient clientele from going down

(See CAFETERIAS, page F14)

A Luby's worker in a Houston cafeteria dishes out food to a customer.

FOCUS | CAFETERIAS

CAFETERIAS TRY NEW LOOK

(Continued from page F12)

the street.

Morrison, for example, is reporting success with a "preview line" it is now testing, and Piccadilly has reintroduced its original double serving line in several units.

All of those efforts, operators claim, intend to play on the reputation cafeterias have always fallen back on, namely their value and convenience.

Delivering on that reputation, however, becomes more of a challenge for cafeterias as food-service competition intensifies.

While labor supply keeps tightening on the one hand, construction and lease costs continue escalating and potential locations grow fewer by the day, operators complain.

Cafeterias need 10,000 square feet in which to operate and a market promising a thousand covers a day, preferably 1,200, most operators concede. At $4.50 for the average check and 365 days of operation, that thousand covers will generate $1.6 million annual gross.

"Our size and complexity is both an advantage and a disadvantage," says Piccadilly Cafeteria's Rodney Garrison. "The barriers to entry are significant, but the key to survival is volume," he adds.

Operators acknowledge that it takes a minimum of a $2 million investment and a hundred employees to open a cafeteria today. And until the chains prove they can be profitable in the North, cafeterias are remaining a Sunbelt phenomenon. One glaring fact: While a handful of cafeterias do operate north of the Mason-Dixon line, the great bulk are stacked from Florida to Texas.

"Nobody has been able to export the concept [north] with much success," confirms Brian Elliott, an analyst with The Robinson-Humphrey Co. in Atlanta.

True, the "Bishop's" side of Furr's/Bishop's has been doing business in states like Wisconsin and Illinois since the 1920s. But volume in those northern units doesn't compare with the Furr's cafeterias in Texas, according to Fritz.

Morrison, for example, operates more than a third of its cafeterias in the Sunshine State, which is a haven for the concept. Yet Texas — the leading cafeteria state — boasts more thsn a hundred more units than does No. 2 Florida.

"We've got our first Florida unit (Tampa) on the board now," says Luby's Schrader, whose chain operates most of its stores in the Texas market. "It's a test, but we're going for the same reason the others are already there."

"The cafeteria market is pretty narrow and getting more crowded," Schrader says. "It's just a matter of time before we have to move beyond the Sunbelt."

"The competition is unreal," confirms George Deshazo, executive vice president of operations at Wyatt Cafeterias Inc., which is based in Dallas. "A year ago we counted 87 cafeterias in Dallas alone," he said.

Deshazo hinted at feeling some disappointment with his company's philosophy not to expand further in markets like California. "We've been in San Bernardino and Bakersfield since 1967 and haven't had a losing year out there," he says.

"I've been touting California," Deshazo adds. "I mean the suburban towns — the good neighborhoods demographically — not downtown Los Angeles. We hear Piccadilly is doing well in Fresno, and we've been asked to open there."

Rodney Garrison, executive vice president and chief financial officer at Piccadilly Cafeterias Inc., the most dispersed and the most aggressive of the chains in terms of expansion, confirms California is a good market.

"We have two there now, we're opening two more there this year, and there are three more California sites approved," says Garrison, whose chain has cut back the number of cafeterias it plans to open in fiscal 1989 from 12 to 10.

"That was after buying Ralph & Kacoo's [the high-volume, six-unit seafood specialty operation also based in Baton Rouge, La.] last fall," he says. "But after a year, we'll begin expanding that concept too," Garrison adds.

Ironically, while cafeterias chains clamor to break out of their regional prison, the Sunbelt may eventually prove to be their perfect home, or so suggest recent population trends — especially those showing the movement of retirees.

"I read about the labor problems in New England and wouldn't want to try moving up there," jokes Wyatt Cafeteria's Deshazo, who says labor cost becomes trouble when it climbs above 30 percent.

Furthermore, cafeterias are considered a popular dining alternative for fixed-income retirees who seek value and the security of selecting food items they can see in front of them.

""The maturing of the population may still be 10 years off," challenges Robinson-Humphrey's Elliott, "but the Sunbelt is where retirees are moving."

Nevertheless, cafeterias are struggling to break away from the popular belief that they cater only to the retirement segment.

"I wish we could get rid of that stigma," Wyatt's Deshazo says, shrugging. "We opened a unit in Carrollton, Texas, and had to add an extra dozen rolling high chairs. We're not just for the old folks."

Cafeterias are struggling to break away from the popular belief that they cater only to the retirement segment. 'I wish we could get rid of that stigma,' Wyatt's Deshazo says.

TOP 10 CAFETERIA CHAINS

1 Morrison's
Mobile, Ala.
Parent: Morrison's Inc.
No. of units: 165
Volume: $295 million
Chairman: E. Eugene Bishop
1989 plans: Opening 10 family dining units, including Morrison's and Sadie's Buffet & Grill, the company's hybrid buffet concept. Expanding take-out.

2 Furr's/Bishop's
Lubbock, Texas
Parent: Furr's/Bishop's Cafeterias
No. of units: 154
Volume: $270 million
Chairman: Michael Levinson
1989 plans: Opening two to four units a year, adding mostly in Texas. Expanding buffet, experimenting with drive-thru.

3 Luby's
San Antonio, Texas
Parent: Luby's Cafeterias Inc.
No. of units: 118
Volume: $254 million
Chairman: John Lahourcade
1989 plans: Rolling take-out concept chainwide. Opening first Florida store in Tampa market.

4 Piccadilly
Baton Rouge, La.
Parent: Piccadilly Cafeterias Inc.
No. of units: 119
Volume: $235 million
President: James Malmberg
1989 plans: Opening 10 units, including two more California stores. Reintroducing double serving line.

5 Wyatt's
Dallas, Texas
Parent: Wyatt Cafeterias Inc.
No. of units: 121
Volume: $190 million
Chairman: H.L. Packer
1989 plans: Opening four units a year for the next two or three years, then six to 10 units annually. Looking at new markets.

6 Old Country Buffet
Eden Prairie, Minn.
Parent: Buffets Inc.
No. of units: 51
Volume: $75 million
Chairman: Roe Hatlen
1989 plans: Continuing aggressive expansion, emphasizing buffet concept. No take-out as yet.

7 K & W
Winston-Salem, N.C.
Parent: K & W Cafeterias Inc.
No. of units: 21
Volume: $50 million
President: Gary Allred
1989 plans: Maintaining cafeteria format as expansion and renovation proceeds gradually. Looking at Columbia, S.C., and Lynchburg, Va.

8 MCL
Indianapolis
Parent: The MCL Cafeterias Inc.
No. of units: 27
Volume: $48 million
Chairman: Craig L. McGaughey
1989 plans: Opening one unit. Continuing an extensive remodeling effort begun two years ago.

9 S&S Cafeterias
Macon, Ga.
Parent: Smith & Son Foods Inc.
No. of units: 22
Volume: $45 million
President: James A. Smith III
1989 plans: Adding take-out doors and soup-salad-sandwich bars as an alternative to the serving line in selected cafeterias.

10 Blue Boar Cafeterias
Louisville, Ky.
Parent: The Blue Boar Cafeterias Co.
No. of units: 15
Volume: $20 million
President: Wesley Johnson
1989 plans: Testing buffet. Watching take-out experiments in use by other cafeteria operators.